

" § 47E-2. Exemptions.

(a) The following transfers are exempt from the provisions of this Chapter:

- (1) Transfers pursuant to court order, including transfers ordered by a court in administration of an estate, transfers pursuant to a writ of execution, transfers by foreclosure sale, transfers by a trustee in bankruptcy, transfers by eminent domain, and transfers resulting from a decree for specific performance.
- (2) Transfers to a beneficiary from the grantor or his successor in interest in a deed of trust, or to a mortgagee from the mortgagor or his successor in interest in a mortgage, if the indebtedness is in default; transfers by a trustee under a deed of trust or a mortgagee under a mortgage, if the indebtedness is in default; transfers by a trustee under a deed of trust or a mortgagee under a mortgage pursuant to a foreclosure sale, or transfers by a beneficiary under a deed of trust, who has acquired the real property at a sale conducted pursuant to a foreclosure sale under a deed of trust.
- (3) Transfers by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust.
- (4) Transfers from one or more co-owners solely to one or more other co-owners.
- (5) Transfers made solely to a spouse or a person or persons in the lineal line of consanguinity of one or more transferors.
- (6) Transfers between spouses resulting from a decree of divorce or a distribution pursuant to Chapter 50 of the General Statutes or comparable provision of another state.
- (7) Transfers made by virtue of the record owner's failure to pay any federal, State, or local taxes.
- (8) Transfers to or from the State or any political subdivision of the State.

(b) The following transfers are exempt from the provisions of G.S. 47E-4 but not from the requirements of G.S. 47E-4.1; transfers described in subsection (1) below are not exempt from the requirements of G.S. 47E-4.2:

- (1) Transfers involving the first sale of a dwelling never inhabited.
- (2) Lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling.
- (3) Transfers between parties when both parties agree not to complete a residential property disclosure statement or an owners' association and mandatory covenants disclosure statement. (1995, c. 476, s. 1; 2011-362, s. 3(a); 2014-120, s. 49(a).)

§ 47E-4.2. Required new dwelling owners associations disclosures.

(a) With regard to transfers described in G.S. 47E-2(b)(1), the owner of the real property shall furnish to a purchaser a new dwelling owners association mandatory disclosure statement. The disclosure statement shall require disclosure of whether or not the property to be conveyed is subject to regulation by one or more owners' association(s) and governing documents which impose various mandatory covenants, conditions, and restrictions upon the property, including, but not limited to, obligations to pay regular assessments or dues and special assessments. (b) The North Carolina Real Estate Commission shall develop and require the use of a new dwelling owners association mandatory disclosure statement to comply with the requirements of this section. The disclosure statement shall specify that the transfers identified in G.S. 47E-2(a) are exempt from this requirement but the transfers identified in G.S. 47E-2(b)(1) are not.

"§ 47E-5. Time for disclosure; cancellation of contract.

(a) The owner of real property subject to this Chapter shall deliver to the purchaser the disclosure statements required by this Chapter no later than the time the purchaser makes an offer to purchase, exchange, or option the property, or exercises the option to purchase the property pursuant to a lease with an option to purchase. The residential property disclosure statement, the mineral and oil and gas rights mandatory disclosure statement, the new dwelling owners association disclosure statement, or the owners' association and mandatory covenants disclosure statement may be included in the real estate contract, in an addendum, or in a separate document.

"§ 47E-6. Owner liability for disclosure of information provided by others.

With the exception of the disclosures required by G.S. 47E-4.1, the owner may discharge the duty to disclose imposed by this Chapter by providing a written report attached to the residential property disclosure statement, the new dwelling owners association disclosure statement and the owners' association and mandatory covenants disclosure statement by a public agency or by an attorney, engineer, land surveyor, geologist, pest control operator, contractor, home inspector or other expert, dealing with matters within the scope of the public agency's functions or the expert's license or expertise. The owner shall not be liable for any error, inaccuracy, or omission of any information delivered pursuant to this section if the error, inaccuracy, or omission was made in reasonable reliance upon the information provided by the public agency or expert and the owner was not grossly negligent in obtaining the information or transmitting it.

"§ 47E-7. Change in circumstances.

If, subsequent to the owner's delivery of a residential property disclosure statement, the mineral and oil and gas rights mandatory disclosure statement, the new dwelling owners association disclosure statement or the owners' association and mandatory covenants disclosure statement to a purchaser, the owner discovers a material inaccuracy in a disclosure statement, or a disclosure statement is rendered inaccurate in a material way by the occurrence of some event or circumstance, the owner shall promptly correct the inaccuracy by delivering a corrected disclosure statement or statements to the purchaser. Failure to deliver a corrected disclosure statement or to make the repairs made necessary by the event or circumstance shall result in such remedies for the buyer as are provided for by law in the event the sale agreement requires the property to be in substantially the same condition at closing as on the date of the offer to purchase, reasonable wear and tear excepted

"§ 47E-8. Agent's duty.

A real estate broker ~~or salesman~~ acting as an agent in a residential real estate transaction has the duty to inform each of the clients of the real estate broker of the client's rights and obligations under this Chapter. Provided the owner's real estate broker has performed this duty, the broker or salesman shall not be responsible for the owner's willful refusal to provide a prospective purchaser with a residential property disclosure statement, the mineral and oil and gas rights mandatory disclosure statement, the new dwelling owners

association disclosure statement, or an owners' association and mandatory covenants disclosure statement. Nothing in this Chapter shall be construed to conflict with, or alter, the broker's duties under Chapter 93A of the General Statutes.

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SECTION 49.(b) This section becomes effective _____ and applies to contracts executed on or after that date.